

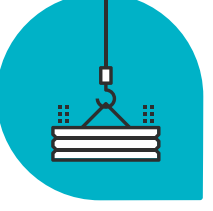


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| COMPANY NAME Mitsubishi | |  MITSUBISHI ELECTRIC MITSUBISHI ELEVATOR EUROPE |  20 PARK 20 Share Success Together Now |
|  | SECTOR Construction | | |

Mitsubishi sells vertical elevators in office buildings. Target customers include (office) building owners and developers.

CHALLENGES

The management of Park 20|20 reached out to Mitsubishi for the elevators for this newly to be built office and requested a quotation. The initial offer was based on the traditional model: Mitsubishi sells its elevators and the ownership is transferred to the buyer. However, the offer was clearly above budget. Mitsubishi was finding difficulties in coping with the difference between the short-term revenue model of the contractor and building owner, versus the long-term quality of the Mitsubishi elevators. To overcome this, Mitsubishi could decide to develop lower quality elevators with a shorter lifetime, requiring more service and maintenance over time, resulting in an increase in the Total Cost of Usage of the elevator. Conversely, a higher quality elevator would need higher investment upfront and result in lower costs for service, maintenance and replacement for the owner and user of the building.

INNOVATIONS

Mitsubishi, in collaboration with Delta Development Group and the building owner, developed the 'Elevator as a Service'-model, called M-Use®. In this new circular business model:

- The elevator is leased (full service operational lease) instead of sold/bought, hence leaving the ownership of the product with Mitsubishi during the contract term.
- Consequently, suppliers are incentivized to minimize maintenance needs, to build products for long-term durability, and to reuse and recycle components.

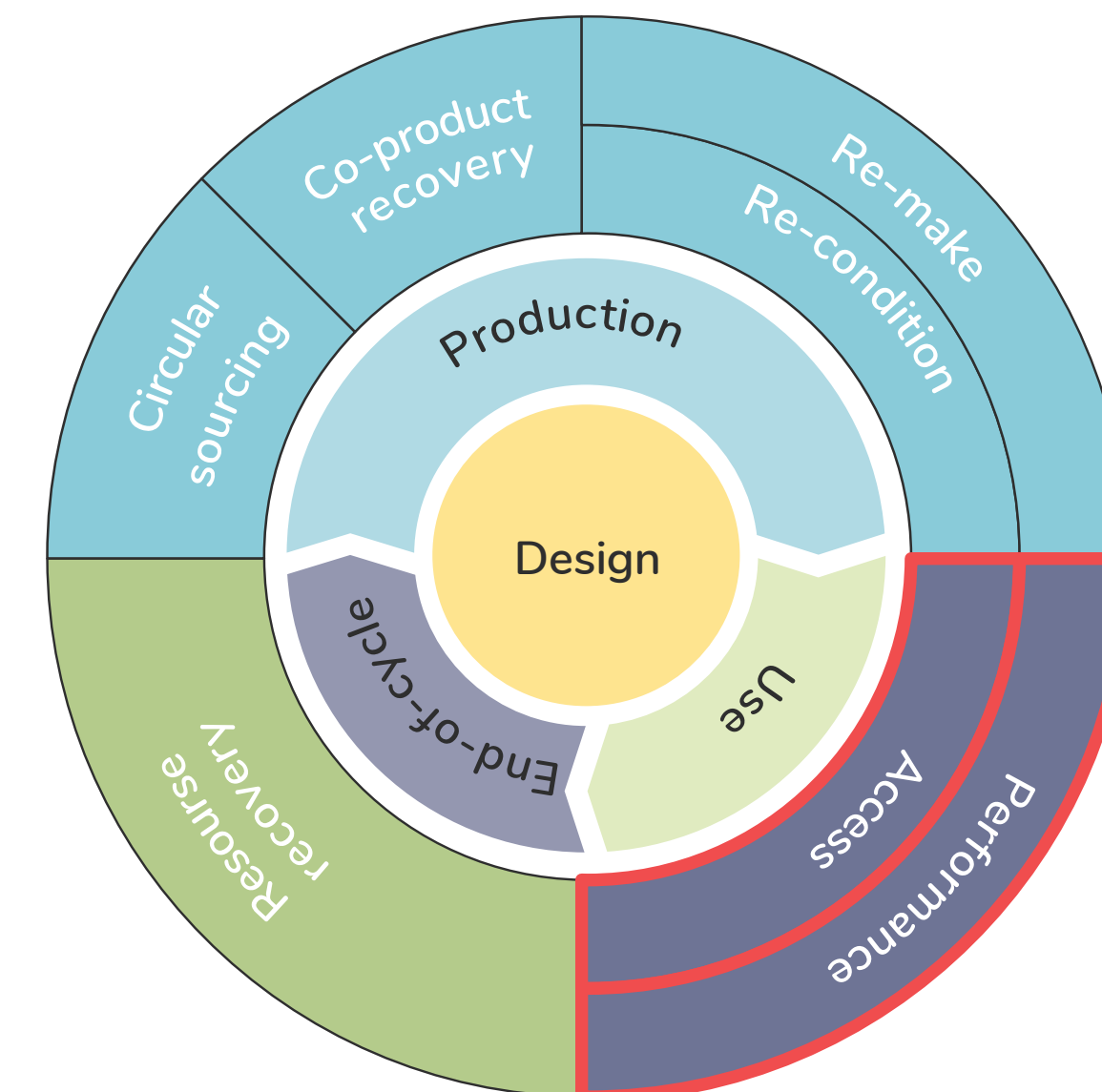
KEY ENABLERS

As an incentive, Delta Development guaranteed Mitsubishi that whatever the outcome of this collaboration and investigation, they would buy the Mitsubishi elevators. This approach then motivated Mitsubishi to investigate the possibilities for the new model. Note however, that there was a set time and budget, since the development process was already in the phase of reaching out to suppliers. Ultimately, the main driver for the development of the new business model was the intrinsic motivation of Coert Zachariasse, the CEO of Delta Development. Coert wanted to show that this innovative model, that promotes circularity, could really work on many levels and for a variety of stakeholders.

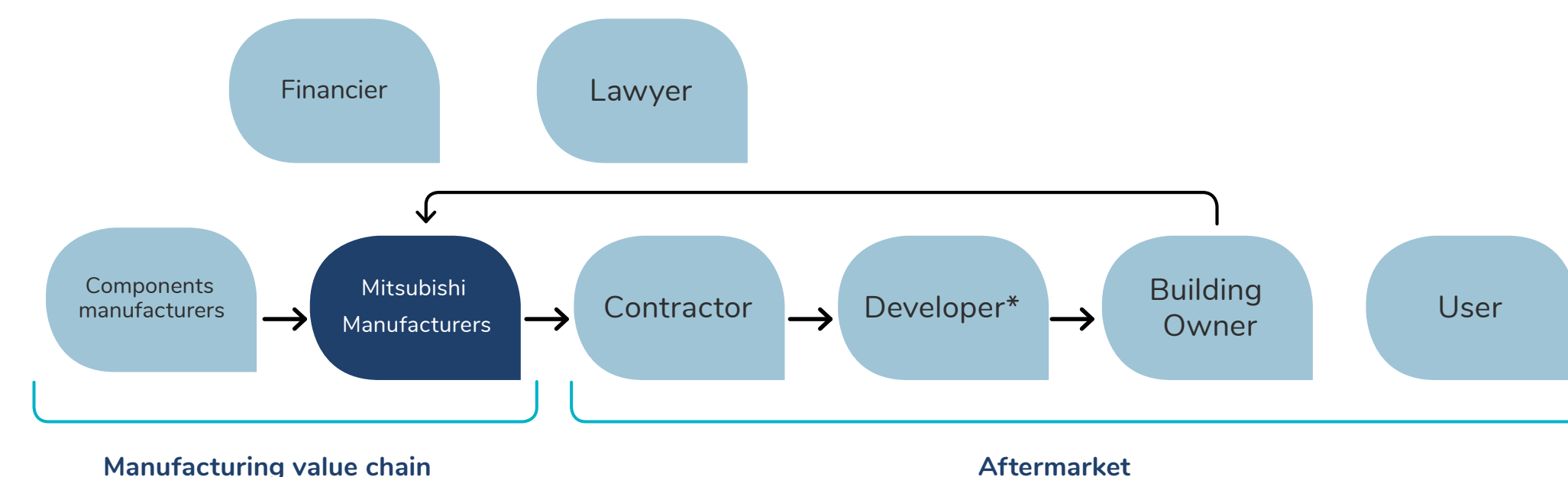
KEY OUTCOMES

M-Use® offers high quality vertical transport with a high level of availability and complete maintenance in exchange for a monthly fee. This monthly fee is based on full service operational lease in which the ownership of the elevator lies with Mitsubishi. Mitsubishi increased the quality level of the elevator, while decreasing the Total Cost of Usage. This is because the remote monitoring of the M-Use® enables Mitsubishi to plan the maintenance based on actual use.

CIRCULAR ECONOMY BUSINESS MODELS



MATERIAL FLOWS



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